

Testimony in Support of

HB 6859: AN ACT CONCERNING PREDICTABLE SCHEDULING.

SB 1177: AN ACT CONCERNING ONE FAIR WAGE.

SB 1178: AN ACT EXPANDING CONNECTICUT PAID SICK DAYS.

Joint Committee on Labor and Public Employees
March 9, 2023

Dear Co-Chairs Senator Kushner and Representative Sanchez, Ranking Members Senator Sampson and Representative Ackert, and distinguished Members of the Labor and Public Employees Committee of Connecticut General Assembly:

My name is Nick Teeling, and I am testifying today on behalf of Connecticut Voices for Children (CT Voices), a research-based advocacy organization working to ensure that Connecticut is a thriving and equitable state where all children achieve their full potential.

Connecticut Voices for Children supports S.B. 1177: An Act Concerning One Fair Wage.

When Connecticut's minimum wage increases to \$15 an hour in June, nearly 70,000 workers in Connecticut who make the subminimum wage will be left behind. Instead of leaving these workers behind, SB 1177 will eliminate the subminimum wage altogether, and allow workers to experience real hourly wage growth other low- and middle-income workers in Connecticut's economy are experiencing.

The increase in Connecticut's minimum wage has resulted in the real hourly wage growing more for low- and middle-wage workers than higher wage workers for the first time in nearly four decades.¹ In Connecticut, at the 10th percentile of the hourly wage, real growth in the hourly wage was 5.7 percent a year on average over the past two years and 3.8 percent over the past year at the 50th percentile.² Keeping the subminimum wage in place restricts service workers from experiencing this real wage growth we are seeing.

Before October 1, 2019, the tip credit was a percentage (63.2% for servers; 81.5% for bartenders) of the full minimum wage. Now the wage is frozen at \$6.38 per hour for servers and \$8.23 for bartenders resulting in workers becoming increasingly reliant on tips, which is an unstable form of income. Had the tip credit remained in effect, servers would be scheduled to make \$9.48 per hour and bartenders would make \$12.23 per hour when the minimum wage

¹ O'Brien Ph.D., Patrick R., Lin Kabachia M.P.P., and Connecticut Voices for Children. n.d. *The State of Working Connecticut 2022*.

² Ibid.

increases to \$15 per hour in June. That is a difference of \$3.10 per hour for servers and \$4.00 per hour for bartenders not being paid to them.

To make up for the difference, service workers must rely heavily on tips. This heavy reliance on tips can be especially challenging for women and people of color, who continue to experience disproportionate wage gaps. Connecticut's service industry is made up of 70 percent women and 36 percent people of color.

According to Connecticut Voices for Children's 2022 State of Working Connecticut report:

- The unadjusted average gender wage gap was \$0.81 and it is measured as the amount that women earned on average for each dollar that men earned.³
- The unadjusted average Hispanic or Latiné-white wage gap was \$0.67 and it is measured as the amount that Hispanic or Latiné workers earned on average for each dollar that white workers earned.⁴
- The unadjusted average Black-white wage gap was \$0.75 and it is measured as the amount that Black workers earned on average for each dollar that white workers earned.⁵
- These wage gaps also remain substantial even when controlling for the key factors of experience, education, union coverage, and more.

By keeping the subminimum wage in place, women and people of color, especially, will continue to experience inequitable tipping practices. In a study conducted by One Fair Wage in 2021 nearly 90 percent of Black service workers surveyed reported their tips have fallen during the pandemic by 50 percent or more.⁶ In another study conducted by One Fair Wage in 2022, 50 percent of all women and 58 percent of women of color surveyed said they are not making the full minimum wage after tips.⁷ These two glaring examples show how despite the real hourly wage growing for low- and middle-income workers, reliance on tips perpetuates wage inequities, and will only be exacerbated as the minimum wage increases and the subminimum wage remains stagnant.

Connecticut Voices for Children supports S.B. 1178: An Act Extending Connecticut Paid Sick Days.

³ O'Brien Ph.D., Patrick R., Lin Kabachia M.P.P., and Connecticut Voices for Children. n.d. *The State of Working Connecticut 2022*.

⁴ Ibid.

⁵ Ibid.

⁶ "Black restaurant workers received less in tips than others during pandemic, report says." 2021. CNBC.<https://www.cnbc.com/2021/02/05/black-restaurant-workers-received-less-in-tips-than-others-during-pandemic.html>.

⁷ "Increased Sexual Harassment and Wage Theft Continue to Drive Women, Women of Color, and Single Mothers Out of the Service Sector." 2022. One Fair Wage.
https://onefairwage.site/wp-content/uploads/2022/04/OFW_Unlivable.pdf.

SB 1178 will help all workers gain access to paid sick days by eliminating the lengthy definition of “service workers,” remove the employer size threshold, and eliminate the waiting period of 680 hours worked before accessing the benefit. These carve outs exclude 88 percent of Connecticut’s workforce from accessing paid sick days, and potentially contribute to declining labor force participation.

According to Connecticut Voices for Children’s most recent breakdown of the employment situation in Connecticut, the labor force participation rate across the whole economy decreased from the month of November 2022 to December 2022, and remains lower than the participation rate pre-pandemic (February 2020).⁸ Connecticut’s labor force rate was 64.2 percent as of December 2022, compared to 66.9 percent in February of 2020.⁹ One way to potentially address this continued decline would be to eliminate barriers around accessing paid sick days. By aligning a paid sick day law with Connecticut’s Paid Family and Medical Leave law, workers would be able to take paid time off to care for a loved one including a child of any age, instead of leaving the workforce. This law would also allow paid sick time to be used when a workplace, school or place of care is closed for a public health emergency, creating another safety net for workers to be able to take the time they need without having to leave the workforce altogether.

Connecticut Voices for Children supports H.B. 6859: An Act Concerning Predictable Scheduling.

Unpredictable work schedules negatively impact the health, well-being, and economic security of hourly wage workers. In particular, an unpredictable work schedule limits the ability of an hourly wage worker to know how much money they will earn each week and whether the amount will be sufficient to make ends meet. It also limits their ability to work a second job to supplement their income if they do not know in advance the hours that they will work, go back to school and improve their employment prospects, plan for child care, and schedule something as simple and important as a doctor’s appointment for themselves or their children.¹⁰

HB 6859 will give workers greater opportunity to make these life plans by requiring employers to give employees their schedule two weeks in advance. If a worker receives a schedule change with less than one week’s notice, they will be compensated an extra hour of pay to work additional hours or receive half pay as compensation for each hour lost. And this stability to workers ultimately allows for more people to enter the labor force and, what’s more, studies have shown that predictive scheduling also provides substantial benefits to businesses by increasing labor efficiency, maximizing productivity, and boosting retention, all of which are good for the state’s workers and economy.¹¹

⁸ O'Brien Ph.D., Patrick R. n.d. *The Employment Situation in Connecticut December 2022*.

⁹ Ibid.

¹⁰ O'Brien Ph.D., P. R., Kabachia M.P.P., L., & Connecticut Voices for Children. (n.d.). *The State of Working Connecticut 2022*.

¹¹ Vogtman, J., & Narefsky, L. (2020, February 24). *Testimony of the National Women’s Law Center In Support of S.B. 227—An Act Concerning a Fair Work Week Schedule*.

Connecticut Voices for Children urges the committee to pass S.B. 1177: An Act Concerning One Fair Wage, S.B. 1178: An Act Extending Connecticut Paid Sick Days, and H.B. 6859: An Act Concerning Predictable Scheduling.

Thank you for your time and consideration.

Sincerely,

Nick Teeling
Local Strategies Deputy Director
Connecticut Voices for Children